Army Benefits Center-Civilian

# ABC-C FERS Overview

**Updated 12/14/05**

# ABC-C AUTOMATED SYSTEMS

## EBIS – Web Based

### Advantages:

- Customer-friendly
- Available almost 24 hours a day
- Secure site
- Ability to read at convenience
- Ability to print screens of information
- Can process benefits transaction without counselor assistance
- Ability to print pending benefit forms

### Disadvantages:

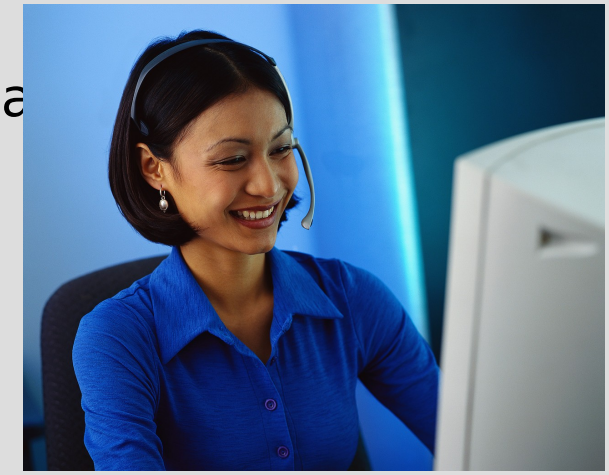
- No connection to a counselor
- Requires use of the Point of Entry security information
- Not everybody has access to a computer

# ABC-C AUTOMATED SYSTEMS

## IVRS - Telephone

### Advantages:

- Can connect with a counselor if needed
- Available to those without computer access
- Requires use of SSN and PIN only
- Can process benefit transactions without counselor assistance
- Can receive faxed back copies of documents (e.g. FEHB enrollment form, Info Sheets, etc.)
- Counselors are available 12 hours a da
- Available almost 24 hours a day



### Disadvantages:

- Must listen to scripts

# Counselor Assisted Calls

Interactive Voice Response System (IVRS)
TELEPHONE **1-877-276-9287**

**1 January – 31 December 2005**

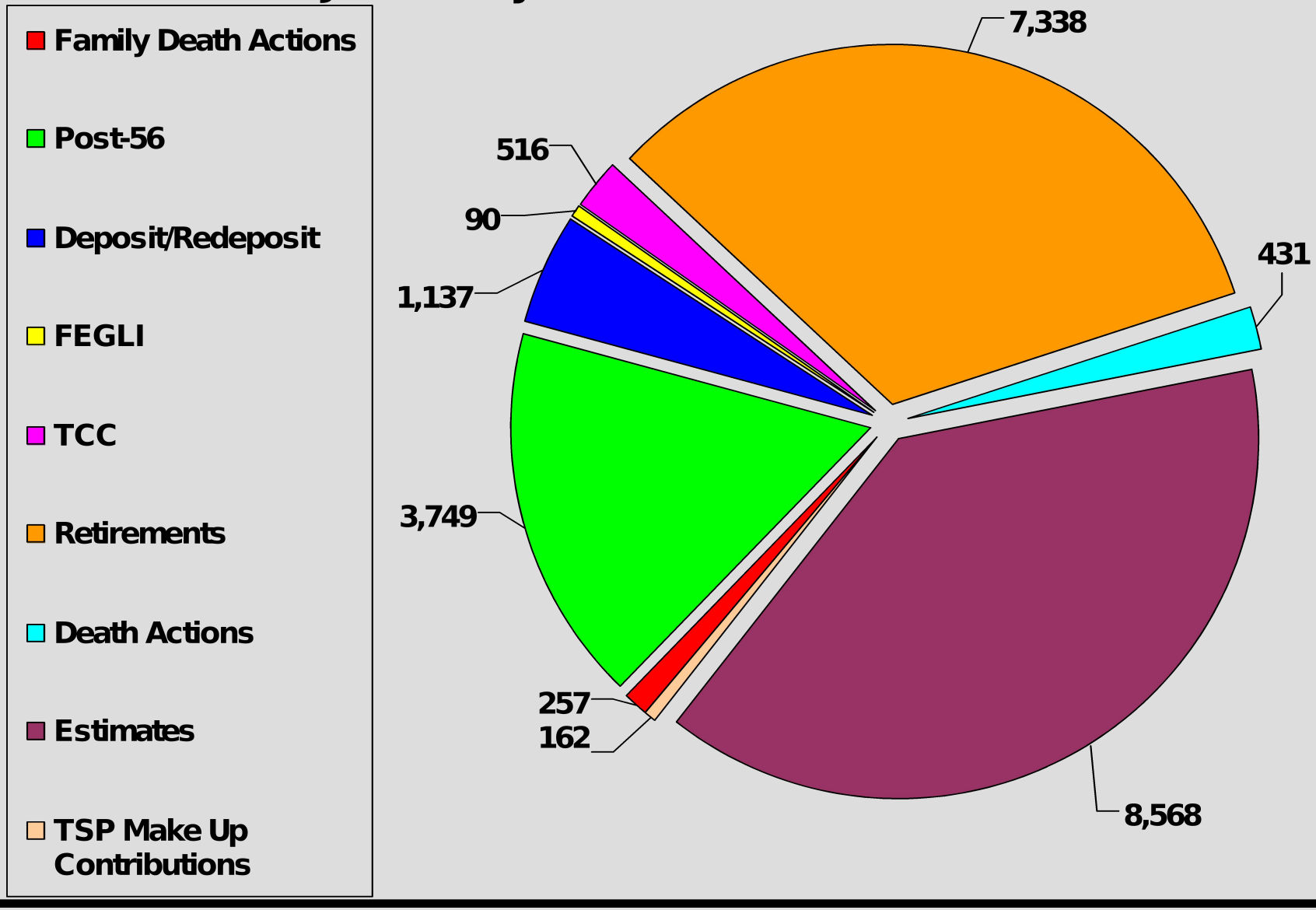
**79,363 Total Calls**
**00:14 Average Answer Time**
**09:22 Average Call Length**
**02:42 Average Wrap-Up Time**

**Peak Times are between 8:00 a.m. and 2:00 p.m.**

**ABC-C Benefit Counselors are available from 6:00 a.m. to 6:00 p.m. CST.**

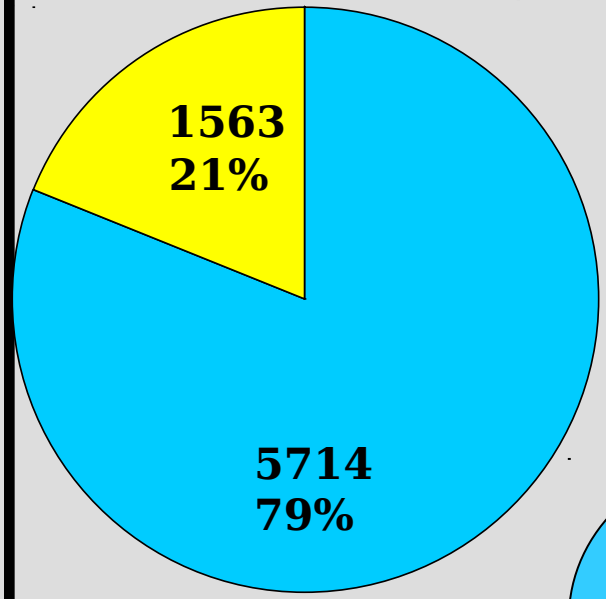
# Production Summary

## 1 January – 31 December 2005

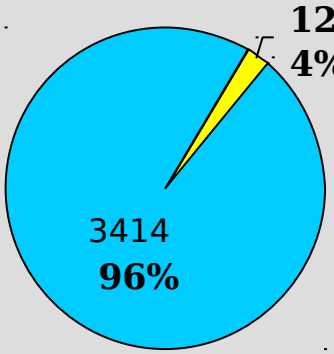


# Non-Disability Retirements
# Payroll Suspense

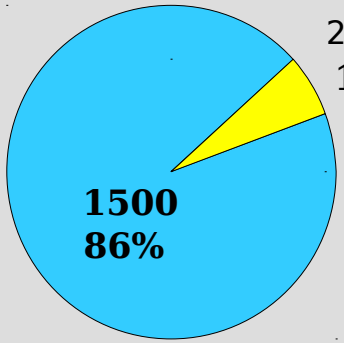
## 1 January – 31 December 2005



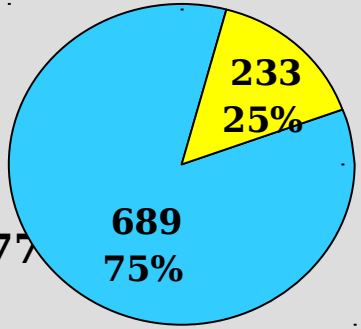

Total Received: 7277
Met
Did Not Meet



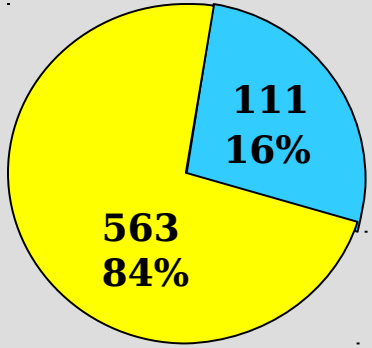

Ret. Rcvd More Than 60 Days: 3543



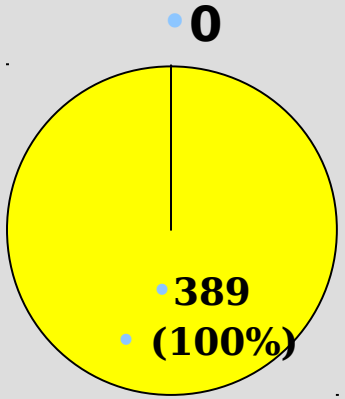

Ret. Rcvd 31-60 Days: 1749




Ret. Rcvd 16-30 Days: 922




Ret. Rcvd 1-15 Days: 674

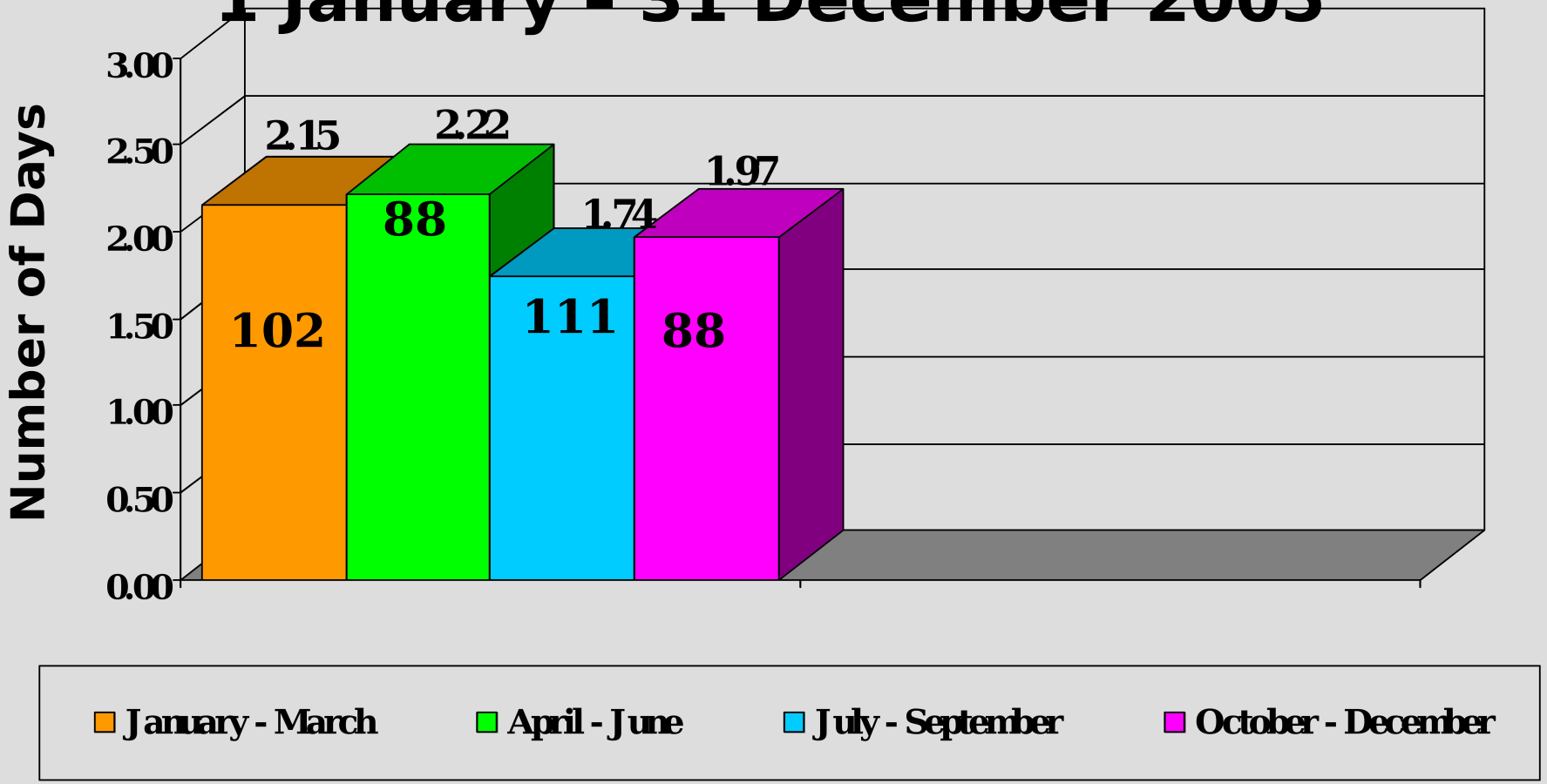



Ret. Rcvd On/After DOR: 3

Army Goal: Submit to DFAS NLT 5 working days prior to DOR.
ABC-C calculates timeliness from date complete retirement package is received to date package submitted to DFAS.
ABC-C tracks calendar days.

# Death Claim Turnaround Time

## 1 January – 31 December 2005

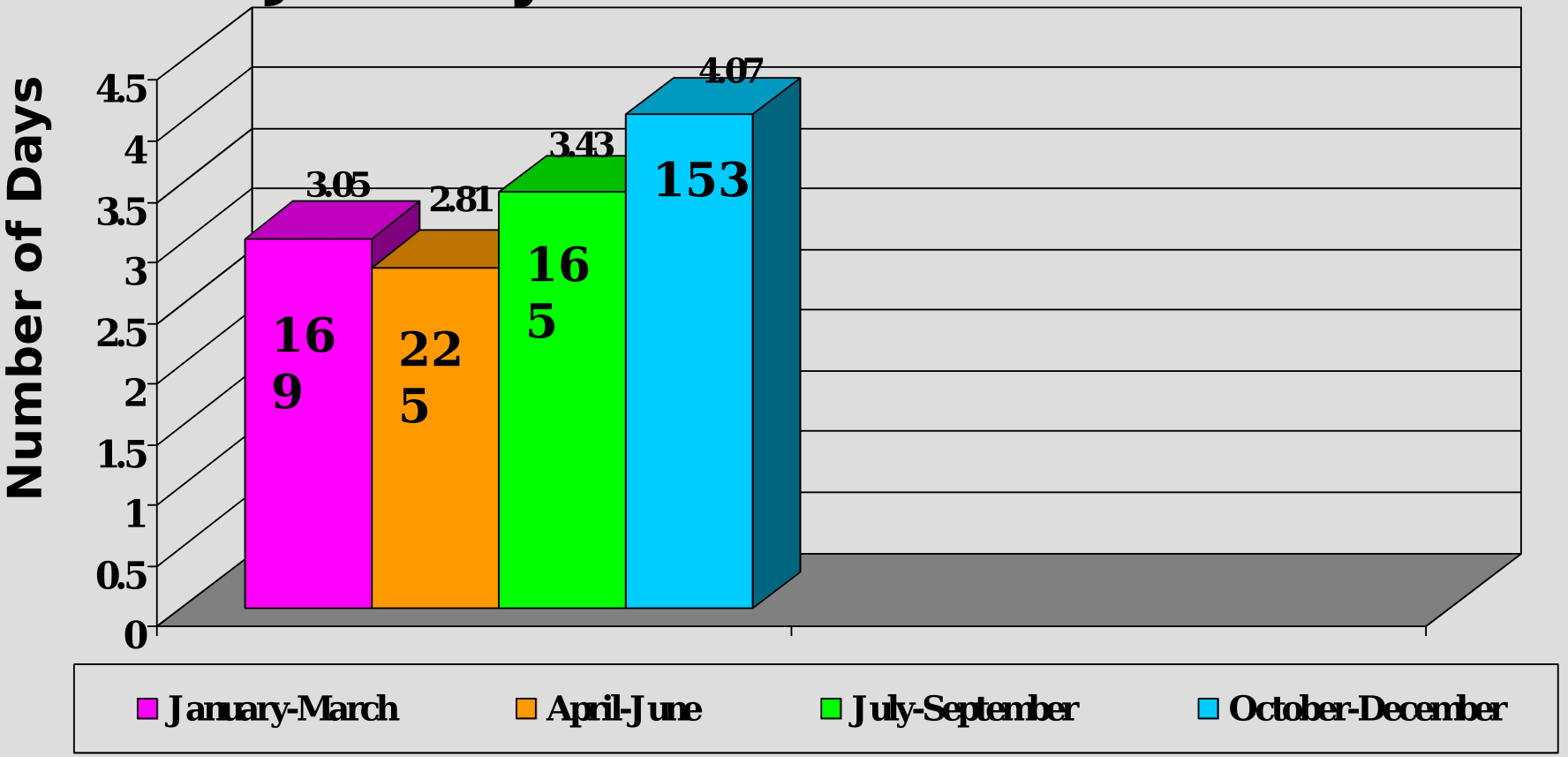



Army Goal: Death submitted to DFAS NLT 5 working days after date survivor signs and dates death benefits claims.

ABC-C tracks timeliness as date of OPF receipt to date Quick Pay is faxed to OPM for deaths processed under expedited procedures (or) date claim form is received from survivor to date claim form sent to DFAS for deaths processed under lump sum procedures. ABC-C tracks calendar days rather than working days.

# Disability Claim Turnaround Time

## 1 January – 31 December 2005

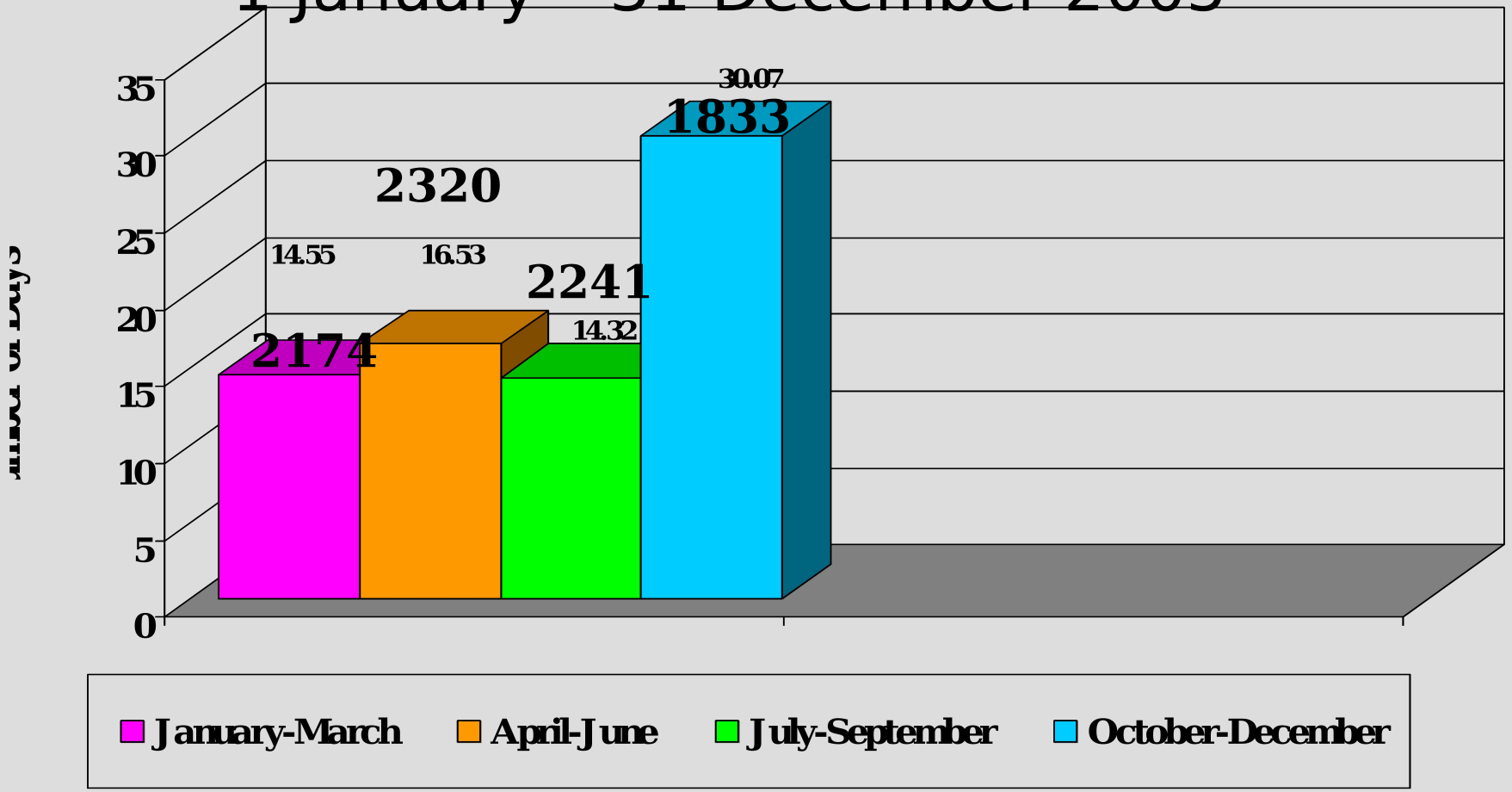



Army Goal: Submitted to DFAS NLT 5 working days following receipt of all documentation.

ABC-C tracks timeliness from date of receipt of OPF to date sent to payroll (or) date last item received in order to work the preliminary retirement package to date sent to payroll, whichever is later. ABC-C tracks calendar days rather than working days.

# Retirement Estimate Turnaround Time

## 1 January – 31 December 2005




NOTE: These are requests for comprehensive retirement annuity printouts that aren't associated with an individual retirement package.

CHRA Goal: 14 days following receipt of estimate request

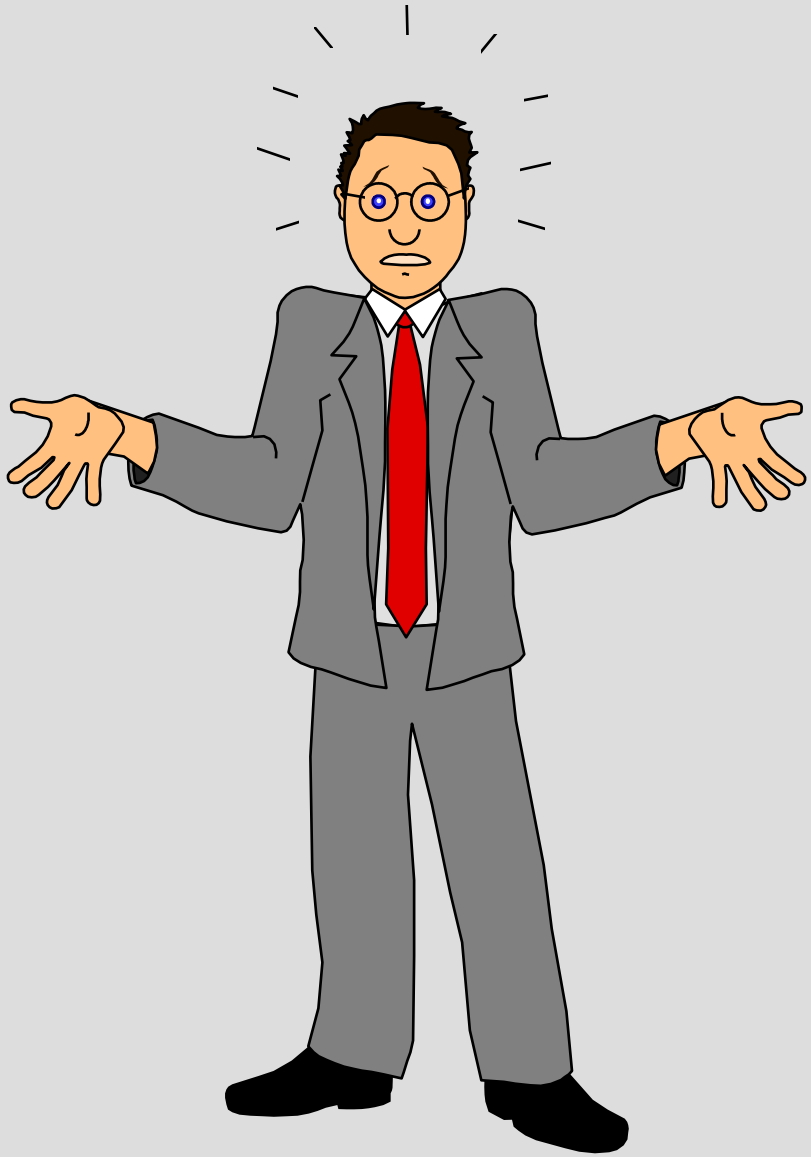
# CONTINUING CHALLENGES

- Last Minute VERA/VSIP approvals
- Late submission of retirement packages
  - Direct correlation between packages submitted  less than 30 days of DOR and inability to meet timeliness goals
- Federal Erroneous Retirement Coverage Corrections Act (FERCCA)

# SUCCESS STORIES

- Counselor Wait Time
- Site Assistance Visits
- Partnership with DFAS
- Video Tele-Training (VTTs)
- Employee Retirement Guide
- New Employee Flyer
- Access for Separated Employees

# ANY QUESTIONS?



# FERS RETIREMENT OVERVIEW

**ARMY BENEFITS CENTER — CIVILIAN**

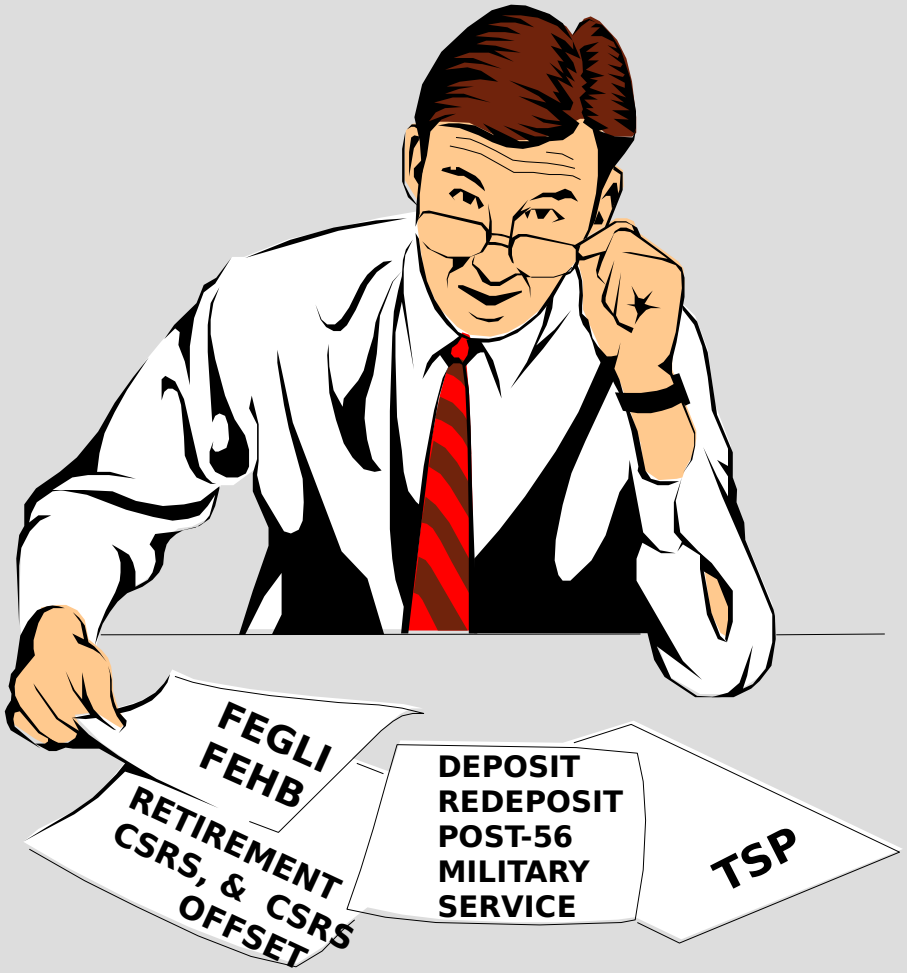
# INTRODUCTION

**ABC-C MISSION: Provides a full range of Benefits & Entitlements services to all appropriated fund Army employees world-wide through a centralized automated center.**

**ABC-C SERVICES: Provides advisory services and processes transactions for:**

- **Federal Employees Health Benefits (FEHB)**
- **Federal Employees Group Life Insurance (FEGLI)**
- **Thrift Savings Plan (TSP)**
- **Retirement (FERS & CSRS)**
- **Survivorship (Death Claim Processing)**

# RETIREMENT DECISIONS



# CIVILIAN SERVICE DEPOSIT/REFUND

*FERS*

# What is Deposit Service?

♦ Any period of creditable service during which retirement deductions are not taken

♦ Generally, non-career time such as temporary or indefinite service

♦ Also known as non-deduction service

# DEPOSIT SERVICE

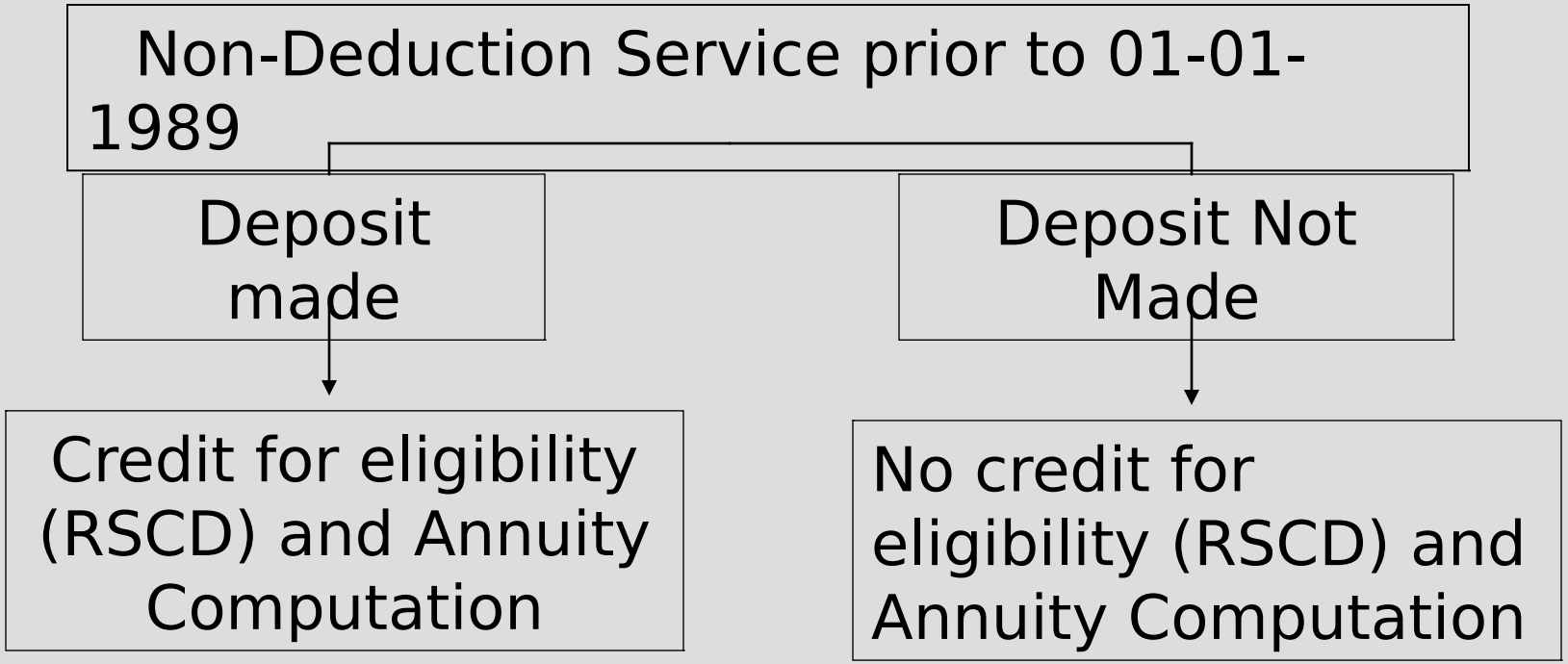
**However, it can also be service that was not considered Federal employment at the time it was performed, but for which a subsequent change in law now allows credit for retirement annuity computation purposes.**

**<u>Amount of Deposit</u>:**

***1.3 of earnings + Interest**

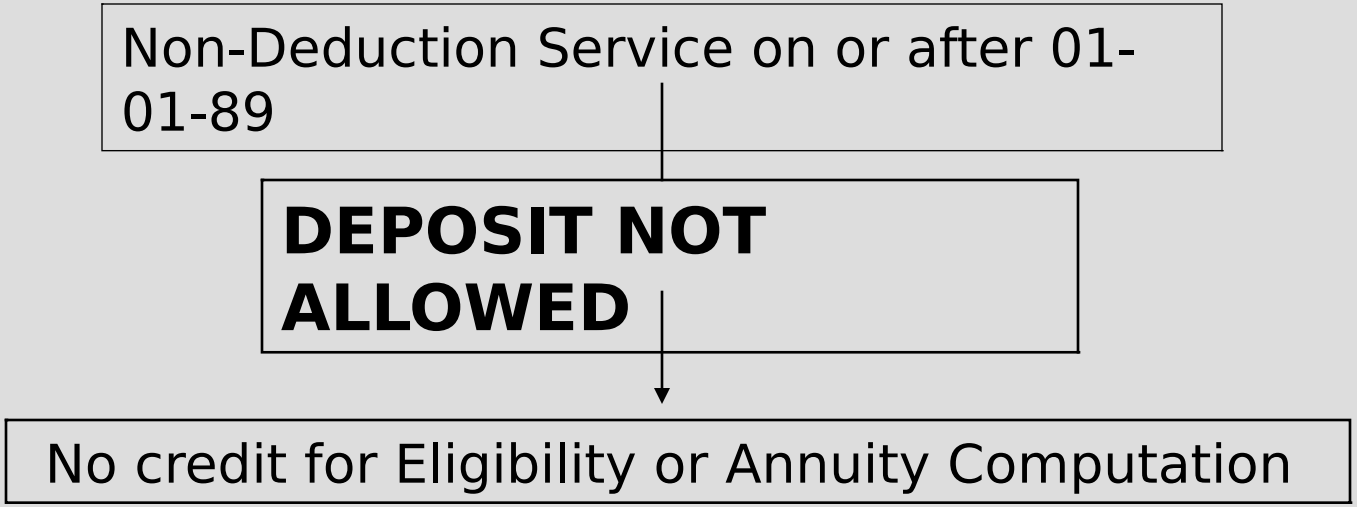
***Interest will vary depending upon the date service was performed**

# FERS DEPOSIT SERVICE


Non-Deduction Service prior to 01-01-1989
Deposit made
Deposit Not Made
Credit for eligibility (RSCD) and Annuity Computation
No credit for eligibility (RSCD) and Annuity Computation

Amount of Deposit: 1.3% of basic pay earned + interest FERS with CSRS component, CSRS rules apply FERS with no CSRS component, FERS rules apply

# FERS DEPOSIT SERVICE



# FERS REFUNDED SERVICE

DEFINED AS: FERS Service for which retirement contributions were refunded to you

**NO FERS REDEPOSIT ALLOWED!**

Note:

- FERS with CSRS component, CSRS rules apply
- FERS with no CSRS component, FERS rules apply

# MILITARY DEPOSIT

## FERS

# PRE 01-01-57 MILITARY SERVICE

No deposit required for creditable military service performed prior to 01-01-57

IT’S FREE!!

# FERS CREDIT FOR POST-56 MILITARY SERVICE

IN RECEIPT OF MILITARY RETIRED PAY

Based on Non – Combat Disability or Service

No Credit unless Military Retired Pay is waived

Based on Combat Disability or Chap 67, Title 10 (Reserves)

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

# POST-56 MILITARY SERVICE

Military Service
on/after 01-01-57

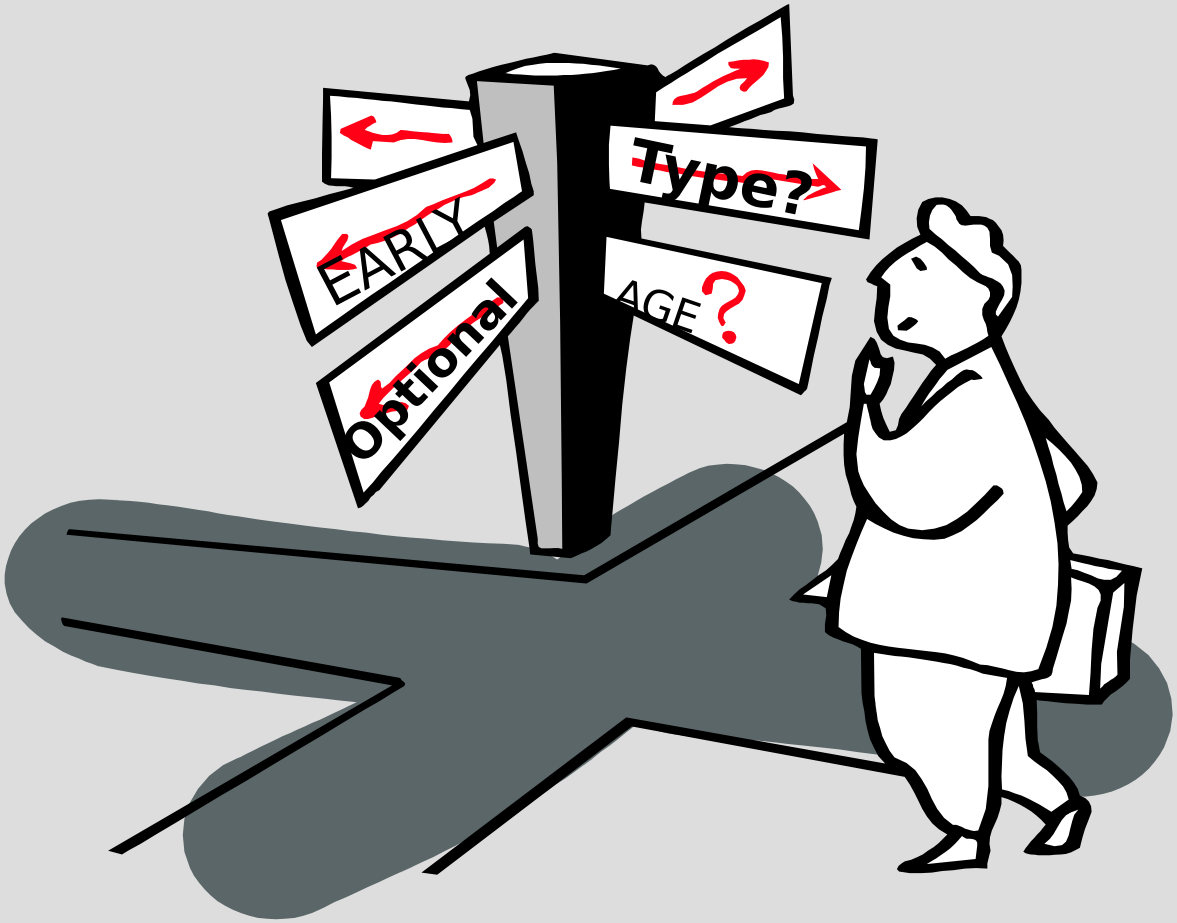
↓

Must Pay to receive
credit for Eligibility
(RSCD) & Annuity
Computation

Amount of Deposit:

- 3% of basic pay earned + interest
  - May vary by date service was performed

# RETIREMENT REQUIREMENTS



# GENERAL ELIGIBILITY FOR RETIREMENT:

- Minimum Retirement Age (MRA) with 30 years service
  - 60 years of age with 20 years service
  - 62 years of age with 5 years service
- MRA with at least 10 years but not more than 30 years service:
  - 5% reduction for each year under age 62
  - Not entitled to Annuity Supplement

***Best Day to Retire: Last Day of the Month**

# MINIMUM RETIREMENT AGE (MRA + 10)

## POSTPONING RETIREMENT BENEFIT

- Reduce or eliminate the 5% age reduction
- FEHB and FEGLI coverage may prospectively reinstated

**Must have been eligible to continue coverage into retirement

- Sick leave will be used in the computation of the CSRS annuity component

# MRA + 10

| IF YEAR OF BIRTH IS... | THE MINIMUM RETIREMENT AGE IS... |
|---|---|
| BEFORE 1948 | 55 |
| 1948 | 55 & 2 MONTHS |
| 1949 | 55 & 4 MONTHS |
| 1950 | 55 & 6 MONTHS |
| 1951 | 55 & 8 MONTHS |
| 1952 | 55 & 10 MONTHS |
| 1953-1964 | 56 |
| 1965 | 56 & 2 MONTHS |
| 1966 | 56 & 4 MONTHS |
| 1967 | 56 & 6 MONTHS |
| 1968 | 56 & 8 MONTHS |
| 1969 | 56 & 10 MONTHS |
| 1970 & AFTER | 57 |

NOTE: SINCE EMPLOYEES BORN IN 1948 DO NOT REACH AGE 55 UNTIL 2003, THE MRA UNTIL THAT DATE IS 55

# EARLY RETIREMENTS
# VOLUNTARY / INVOLUNTARY

**Early Out (VERA / Voluntary)**
**OR**
**Discontinued Service (DSR / Involuntary)**

- **Age 50 with at least 20 or more years of service ***

- **Any age with at least 25 years of service***

  ***<u>Must</u> include five (5) years creditable civilian service**

# EARLY RETIREMENTS
# VOLUNTARY / INVOLUNTARY

**No age reduction under FERS for early retirement****

****Unless employee has a CSRS component, CSRS portion of annuity will be reduced 2% each full year under age 55**

***NOTE*: You will receive the FERS Annuity Supplement if you retire at or after your MRA**
**OR once you reach your MRA**

# FERS ANNUITY SUPPLEMENT

An estimated amount of Social Security benefits earned during FERS service which is paid until age 62 to those retiring and are entitled to an immediate unreduced annuity

# FERS Annuity Supplement

Eligibility:

- Has at least 1 calendar year of FERS service and
- Retires with an immediate annuity…
  - At or after MRA with 30 years
  - At age 60 with 20 years of service
  - At or after MRA under Early/DSR Retirement provisions (major RIF, reorganization)
  - Under Special Provisions (i.e., FF, LEO, etc.)

# FERS ANNUITY SUPPLEMENT

**Duration of Retiree Annuity Supplement**

Payable through the earlier of the following dates:

- Last day of the month the retiree becomes age 62

***OR***

- Last day of the month before the first month retiree is entitled to Social Security benefits

# FERS ANNUITY SUPPLEMENT

## Individuals NOT Eligible for Annuity Supplement

- Disability Retiree
- MRA + 10 provision
- Deferred Annuity
- Retiring at age 62 or older

# DEFERRED RETIREMENT

**If you leave Federal service before meeting age and service requirements to retire:**

**You may receive a deferred annuity at age 62 with at least 5 years of creditable service**

***Note:***

***--FERS Annuity Supplement is not payable.***

***--Your application for retirement is sent directly to OPM.***

# DEFERRED RETIREMENT

**You may receive a deferred annuity IF:**

- You are not eligible for an immediate annuity within 1 month of separation; and

- You meet the minimum 5 years of creditable civilian service requirement at time of separation; and

- You do not take a refund of retirement deductions after separating from Federal service.

# FEDERAL EMPLOYEES RETIREMENT SYSTEM

| AGE | TOTAL SERVICE |
| --- | --- |
| Date of Retirement | Date of Retirement |
| - Date of Birth | - Retirement SCD |
| Age at Retirement | Length of Service |

# UNUSED SICK LEAVE

**For individuals covered by FERS:**

- No credit for any unused sick leave

For an employee who has transferred to FERS with a Civil Service component:

- The amount of sick leave credited is the lesser of:

Sick leave balance on date of transfer to FERS

--OR--

Sick leave balance on date of retirement

# RETIREMENT ANNUITY COMPUTATION (FERS)

## FORMULA FOR COMPUTING ANNUITY FOR VOLUNTARY RETIREMENT:

High-3 avg salary X 1.0% X years and months of serv

High-3 avg salary X 1.1% X years and months of service
if employees are age 62 with 20+ yrs service

# REDUCTIONS & DEDUCTIONS

## REDUCTIONS:

- Age Reduction (MRA+10)
CSRS Component (VERA/DSR)

- Deposit Service

- Election of Survivor Benefits

- Redeposit Service for CSRS component

# REDUCTIONS & DEDUCTIONS

## DEDUCTIONS:

- Health Benefits
- Life Insurance
- Federal Income Taxes
- State Tax (If applicable)

# FERS SURVIVOR ELECTIONS AVAILABLE

**Types of Survivor Elections:**

- ☑ CURRENT Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ Combination Current / Former Spouse Survivor Annuity
- ☑ Insurable Interest Survivor Annuity
- ☑ CURRENT Spouse Survivor Annuity --Partial (25% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Partial (25% of your annuity)
- ☑ Self Only annuity (No survivor benefit)

# SURVIVOR BENEFIT COST & REDUCTION

Full/Max (50%) will cost = 10% of Annuity

Example:

Basic Annuity = $12,000

$12,000 x 10% = - 1,200 yearly cost

Annuity after reduction = $10,800 yearly annuity

*Survivor will receive 50% of annuity = $6,000

# SURVIVOR BENEFIT COST & REDUCTION

Partial Annuity (25%) will cost = 05% of Ann

Example:

Basic Annuity = $12,000

$12,000 x 05% = - 600 yearly cost

Annuity after reduction = $11,400 yearly annuity

*Survivor will receive 25% of annuity =

# DISABILITY RETIREMENT FERS

- Definition of disability – unable to render useful & efficient service because of disease or injury
- Must be in a position covered by FERS
- Minimum of 18 months creditable civilian service
- Disability annuity IS subject to federal tax

# DISABILITY RETIREMENT FERS

- Not eligible for FERS supplemental annuity
- Required to apply for Social Security benefits
- Submit all forms for regular retirement

**PLUS:**

  - SF 3112A - Applicant’s Statement of Disability
  - SF 3112B - Supervisor’s Statement
  - SF 3112C - Physician’s Statement
  - SF 3112D - Agency Certification of Reassignment and Accommodation Efforts

# DEATH-IN-SERVICE FERS

- If you die while still an active employee, your survivor **MAY** be entitled to death benefits
- In the event of your death, your survivor needs to contact the local Civilian Personnel Advisory Center (CPAC)
- CPAC will contact ABC-C
- An ABC-C counselor will contact the survivor within 24 hours

# NON-APPROPRIATED FUND (NAF) RETIREMENT PROCESSING

**NAF Retirement System - Contact nearest NAF office**

**FERS Retirement Plan - Contact the ABC-C**

**PERSONNEL PROFESSIONALS IN PARTNERSHIP**

# FEHB & RETIREMENT

**Self Only**

**Self & family**

**Additional Information:**
**www.opm.gov/insure/health**

**OPM Tel: 1-888-767-6738**

# FEHB & RETIREMENT

## Continuation into Retirement

- **Retires on an immediate annuity**
- **Be insured on the date of retirement**
- **Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll**
- **Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement, however, (employee must be enrolled in FEHB prior to retirement)**

# FEHB & RETIREMENT

## Continuation into Retirement

- Requirements for automatic waiver during Agency Buyout Period
- Enrolled continuously since December 30, 2003 **or** the beginning date of an agency's latest statutory buyout authority
- Employee(s) must:
  - Retire during the agency's statutory buyout period; **and**
  - Receive a buyout under the agency's statutory buyout period; **or**
  - Take Early Optional Retirement as a result of above; **or**
- Take a Discontinued Service Retirement (DSR) based on an involuntary separation due to RIF, directed reassignment, reclassification to a lower grade, or abolishment of position

# FEGLI & RETIREMENT

**Additional Information:**
**www.opm.gov/insure/life**
**OPM Tel: 1-888-767-6738**

# FEGLI & RETIREMENT

## Continuation into Retirement

- **Retires on an immediate annuity**
- **Be insured on the date of retirement**
- **Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll**
- **Election Form: SF-2818, Continuation of Life Insurance Coverage**

# FEGLI & RETIREMENT

## Basic Life Insurance – OPTION #1

## 75% Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

| **Before age 65** | **After age 65** |
|---|---|
| BIA x .3250 (per $1,000) | NO COST |

Example:

39 x .3250 = $12.68 / month

***Coverage reduces 2% per month for 37.5 months until it reaches a final value of $9,750.***

# FEGLI & RETIREMENT

## Basic Life Insurance – OPTION #2

### 50% Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

| **Before age 65** | **After age 65** |
|---|---|
| BIA x .9250 (per $1,000) | BIA x .6000 (per $1,000) |
| Example: | |
| 39 x .9250 = $36.08 / month | 39 x .6000 = $23.40 / **month** |

***Coverage reduces 1% per month for 50 months until it reaches a final value of $19,500.***

# FEGLI & RETIREMENT

## Basic Life Insurance – OPTION #3

## NO Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

| **Before age 65** | **After age 65** |
|---|---|
| BIA x 2.1550 (per $1,000) | BIA x 1.8300 (per $1,000) |
| Example: | |
| 39 x 2.1550 = $84.05/ month | 39 x 1.8300 = $71.37/**month** |

***Coverage DOES NOT reduce***

# FEGLI & RETIREMENT

## OPTION A - STANDARD COVERAGE

## $10,000

| Age Group | Monthly Cost |
|---|---|
| Under 35 | $0.65 |
| 35 thru 39 | $0.87 |
| 40 thru 44 | $1.30 |
| 45 thru 49 | $1.95 |
| 50 thru 54 | $3.03 |
| 55 thru 59 | $5.85 |
| 60 thru 64 | $13.00 |
| 65 & above | NO COST |

*At Age 65 coverage reduces by 2% per mth for 37.5 mths until it reaches $2,500

# FEGLI & RETIREMENT

## OPTION B – Additional Coverage (1--5 Multiples of Pay)

**Example: Annual Salary $36,400. 1x Multiple elected = *$37,000**

| Age Group | Cost per $1,000 | Monthly Cost |
|---|---|---|
| Under 35 | $0.065 | $ 2.41 |
| 35 thru 39 | $0.087 | $ 3.22 |
| 40 thru 44 | $0.130 | $ 4.81 |
| 45 thru 49 | $0.195 | $ 7.22 |
| 50 thru 54 | $0.303 | $ 11.21 |
| 55 thru 59 | $0.607 | $ 22.46 |
| 60 thru 64 | $1.300 | $ 48.10 |
| 65 thru 69 | $1.560 | $ 57.72 |
| 70 thru 74 | $2.600 | $ 96.20 |
| 75 thru 79 | $3.900 | $144.30 |
| 80 & above | $5.200 | $192.40 |

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage ends

NO Reduction: Coverage and premium continues

# FEGLI & RETIREMENT

## OPTION C – Family Coverage 1 to 5 Multiples

**Example: Spouse = $5,000 (1x Multiple) / Each Child = $2,500 (1x)**

| Age Group | Cost per Multiple | Monthly Cost |
|---|---|---|
| Under 35 | $ 0.59 | $ 0.59 |
| 35 thru 39 | $ 0.74 | $ 0.74 |
| 40 thru 44 | $ 1.00 | $ 1.00 |
| 45 thru 49 | $ 1.30 | $ 1.30 |
| 50 thru 54 | $ 1.95 | $ 1.95 |
| 55 thru 59 | $ 3.14 | $ 3.14 |
| 60 thru 64 | $ 5.63 | $ 5.63 |
| 65 thru 69 | $ 6.50 | $ 6.50 |
| 70 thru 74 | $ 7.37 | $ 7.37 |
| 75 thru 79 | $ 9.75 | $ 9.75 |
| 80 & above | $13.00 | $ 13.00 |

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage ends

NO Reduction: Coverage and premium continues

# TSP & RETIREMENT

**TSP Service Office**
**National Finance Center P.O. Box 61500**
**New Orleans, LA 70161-1500**

**Automated (Toll Free):**

**1-877-968-3778**

**Monday through Friday**

**7:00 a.m. – 9:00 p.m. ET**

**www.tsp.gov**

# TSP & RETIREMENT

## OPTIONS:

- Automatic cashout (accounts less than $200)
- Leaving money in the TSP
- Partial Withdrawal of at least $1,000 (one time in career)
- Full Withdrawal
  - Single payment
  - Monthly payments
  - Life annuity
- Mixed Withdrawal

**HOW TO APPLY:**

**TSP-70 FORM - Withdrawal Request**

# TSP Catch-Up Contributions

- Open to TSP participants age 50 or older.
- Not eligible for agency automatic 1% matching contribution
- First opportunity to elect for 2005 is 28 November 04 to be effective 12 December 04
- Limited to $4,000 for year 2005
  - Must make new election each year

**Elections made via:**
**EBIS at https://www.abc.army.mil**
**IVRS at 1-877-276-9287**

# LONG TERM CARE INSURANCE (LTC)

**Want to talk with a Certified Long Term Care Insurance Consultant?**

**Tel: 1-800-LTC-FEDS (1-800-582-3337)**
**TTY: 1-800-843-3557**
**Mon - Fri 8 a.m. - 8 p.m. EST**
**Sat 9 a.m. - 5 p.m. EST**
**Closed Sun and Federal holidays**

**http://www.ltcfeds.com**

**Offered by: John Hancock MetLife**

# FLEXIBLE SPENDING ACCOUNTS (FSA)

**To receive more information regarding FSAs, please contact a SHPS counselor.**

**Email: FSAFEDS@shps.net**

**Telephone: 1-877-FSAFEDS (372-3337)**
**TTY: 1-800-952-0450**

- **Mon-Fri 9AM-9PM Eastern Time**
- **Closed Weekends and Holidays**
- **http://www.fsafeds.com**

# DESIGNATION OF BENEFICIARY

- Order of Precedence:
  - Court Order
  - Designation of Beneficiary
  - Widow or Widower
  - Children (and/or descendants of deceased children)
  - Parents
  - Executor or administrator of estate
  - Next of kin

# ABC-C RETIREMENT PROCEDURES & PROCESS

180 days prior to retirement:

- Contact the ABC-C for retirement estimate & information

120-180 days prior to retirement:

- Download forms from ABC-C website, or contact ABC-C for forms
- Call ABC-C with questions on retirement estimate
- Call ABC-C for help with the retirement forms

90-120 days prior to retirement:

- Mail retirement forms to ABC-C

# ABC-C RETIREMENT PROCEDURES & PROCESS

ABC-C receives your retirement package:

- Sends letter acknowledging receipt
- Does quick review of retirement package
- Sends letter requesting missing forms

30-60 days prior to retirement:

- Requests Official Personnel File (OPF)
- Retirement package assigned to counselor

# ABC-C RETIREMENT PROCEDURES & PROCESS

ABC-C retirement counselor:

- Reviews OPF for service history
- Thoroughly reviews retirement package for missing, incomplete, incorrect forms
- Contacts you about missing forms
- Contacts you for final retirement counseling

2 - 4 weeks prior to retirement:

- Retirement package processing is completed
- Retirement package is mailed to payroll

# ABC-C RETIREMENT PROCEDURES & PROCESS

2-4 weeks after retirement date:

- Final paycheck is received
- Lump sum annual leave is paid
- Lump sum VSIP is paid
- Bi-weekly VSIP payments begin

8-10 weeks after retirement:

- Receive 1st INTERIM payment
- Receive letter from OPM with CSA number

**Office of Personnel Management Retirement Operations Center P.O. Box 45**
**Boyers, PA 16017**

**www.opm.gov**
**email: retire@opm.gov**
**Tel: 1-888-767-6738**

**Social Security Administration**
**www.ssa.gov**
**www.medicare.gov**
**Tel: 1-800-772-1213**

**IRS Publication 721**
**www.irs.gov**
**Tel: 1-800-Tax-**

# FOR ADDITIONAL RETIREMENT INFORMATION

## CONTACT THE ABC-C

- ***Toll Free 1-877-276-9287***
- ***Hearing Impaired TDD 1-877-276-9833***
- ***Counselors available from 6 a.m. - 6 p.m. (CT)***
- ***Web site: https://www.abc.army.mil***

# ANY QUESTIONS?